

Article - Environment

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§9–692.

(a) A district may use the proceeds from bonds issued under this subtitle only:

(1) To pay costs incurred for the projects for which the bonds were issued; or

(2) In accordance with this section.

(b) The district shall disburse the proceeds as the sanitary commission provided in its authorizing resolution.

(c) (1) If the proceeds from bonds issued under this subtitle are insufficient to pay the costs incurred for the projects for which the bonds were issued, the district may issue additional bonds to make up the deficit.

(2) Unless the sanitary commission provided otherwise in its authorizing resolution, bonds issued under this subsection:

(i) Are deemed to be from the same series that originally was issued for the project; and

(ii) Shall be repaid without preference to or priority for the bonds that already were issued for the project.

(d) If the proceeds from bonds issued under this subtitle exceed the costs incurred for the projects for which the bonds were issued and if the authorizing resolution so requires, the district shall use the surplus to retire bonds of the same series.

(e) If the proceeds from bonds issued under this subtitle exceed the costs incurred for the projects for which the bonds were issued and if the authorizing resolution does not otherwise require:

(1) The district shall use the surplus to pay the next payment of principal on the bonds;

(2) The sanitary commission shall adopt a resolution that authorizes the use of the surplus to pay for other projects that are in the same service areas as

the projects for which the bonds were issued and then use the surplus in accordance with the resolution; or

(3) The district shall use the surplus to cancel bonds of the same series by buying the bonds on the open market at a price that:

(i) Does not include a premium of more than 5 percent of the par value; and

(ii) The sanitary commission determines to be in the best interests of the district and the member counties served by the projects for which the bonds having excess proceeds were issued.

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